

Indirect Support Services

Analyst: Holland-Smith

Historical Summary

OPERATING BUDGET	FY 2005 Total App	FY 2005 Actual	FY 2006 Approp	FY 2007 Request	FY 2007 Gov Rec
BY FUND CATEGORY					
General	16,574,200	15,539,600	16,955,100	19,188,300	17,044,300
Dedicated	2,897,000	3,014,200	876,800	573,300	653,400
Federal	22,850,200	16,280,600	16,107,200	18,863,700	16,456,800
Total:	42,321,400	34,834,400	33,939,100	38,625,300	34,154,500
Percent Change:		(17.7%)	(2.6%)	13.8%	0.6%
BY OBJECT OF EXPENDITURE					
Personnel Costs	18,018,100	17,788,000	20,160,900	21,141,800	20,322,200
Operating Expenditures	23,786,300	15,861,800	13,778,200	16,299,000	13,696,600
Capital Outlay	517,000	1,184,600	0	1,184,500	135,700
Total:	42,321,400	34,834,400	33,939,100	38,625,300	34,154,500
Full-Time Positions (FTP)	317.83	322.33	327.33	322.98	318.98

Division Description

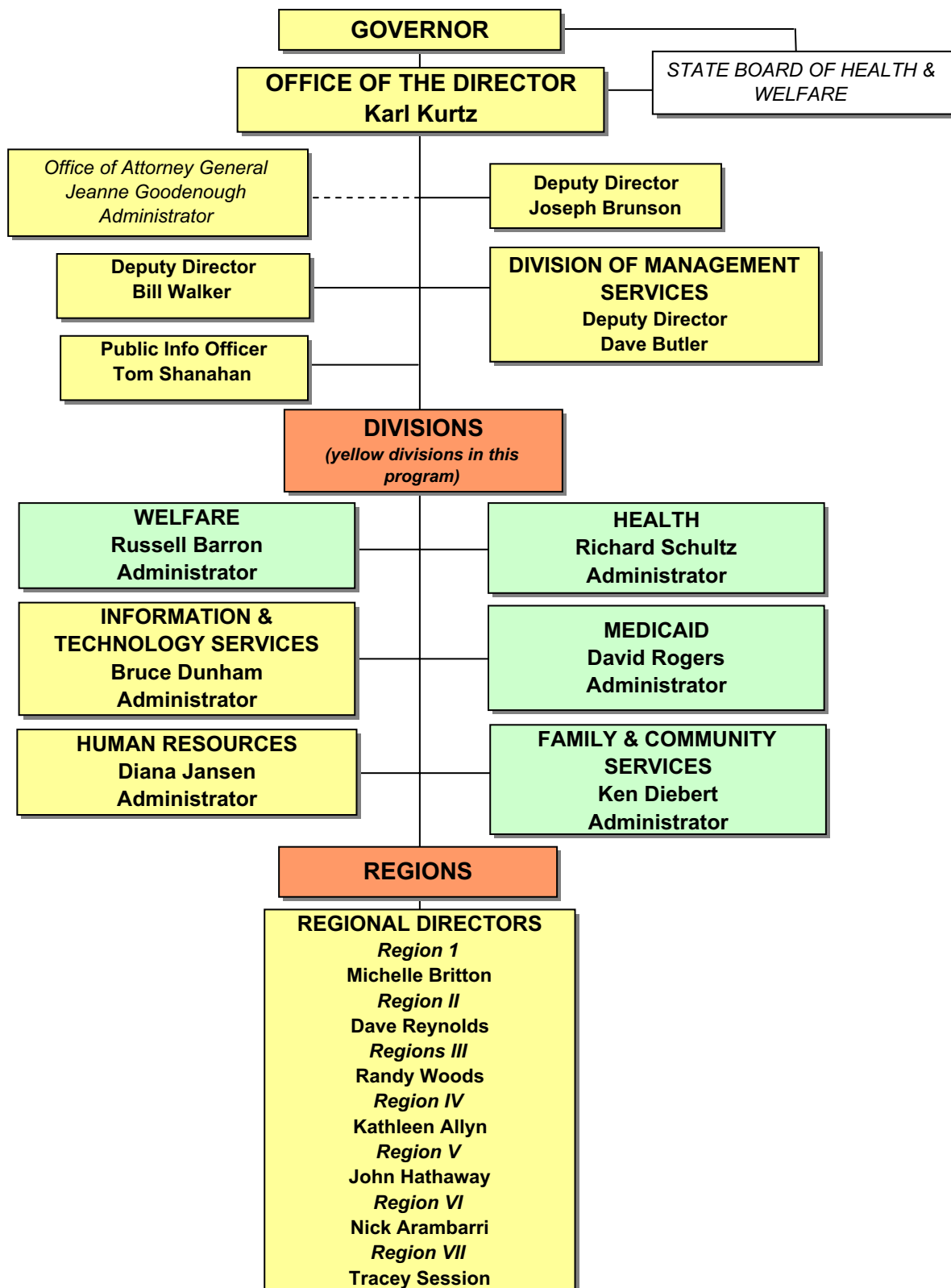
Indirect Support provides administrative functions for the Department of Health and Welfare. The Office of the Director provides central policy direction. Regional directors direct day-to-day activities throughout the state. The Office of Legal Services provides legal advice, monitoring and litigation services. The Division of Management Services manages the budget cash flow, controls the accounting and reporting process, performs internal reviews, manages physical assets, and processes all personnel actions. The Division of Information Systems plans and operates all data processing activities. Finally, the Division of Human Resource Services includes civil rights, workforce development, recruitment, process and system research, and employee relations.

Indirect Support Services

Division Profile

Analyst: Holland-Smith

Organizational Chart



Indirect Support Services

Analyst: Holland-Smith

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2006 Original Appropriation	327.33	16,955,100	33,939,100	327.33	16,955,100	33,939,100
Reappropriations	0.00	1,373,600	2,124,100	0.00	0	2,124,100
HB 395	0.00	98,800	179,700	0.00	98,800	179,700
Omnibus CEC Supplemental	0.00	0	0	0.00	107,300	195,100
FY 2006 Total Appropriation	327.33	18,427,500	36,242,900	327.33	17,161,200	36,438,000
Funds to Match Reappropriations	0.00	0	248,100	0.00	0	248,100
Non-Cognizable Funds and Transfers	0.00	0	645,000	0.00	0	645,000
Reappropriation Object Transfer	0.00	0	0	0.00	0	0
Expenditure Object Transfer	0.00	0	0	0.00	0	0
Reappropriation Transfer Between Prgms	0.00	(143,700)	(143,700)	0.00	0	(143,700)
Transfer to Self-Reliance Program	(6.35)	(110,700)	(208,900)	(6.35)	(110,700)	(208,900)
Transfer Between Programs	(2.00)	0	0	(2.00)	0	0
FY 2006 Estimated Expenditures	318.98	18,173,100	36,783,400	318.98	17,050,500	36,978,500
Removal of One-Time Expenditures	0.00	(1,542,700)	(4,130,100)	0.00	(312,800)	(4,130,100)
FY 2007 Base	318.98	16,630,400	32,653,300	318.98	16,737,700	32,848,400
Benefit Costs	0.00	175,800	319,600	0.00	43,800	79,700
Insurance Premium Rebate	0.00	0	0	0.00	(328,600)	(597,400)
Inflationary Adjustments	0.00	139,400	253,500	0.00	139,400	253,500
Replacement Vehicles	0.00	43,000	78,000	0.00	0	58,400
Computer Replacement	0.00	42,500	77,300	0.00	0	77,300
Statewide Cost Allocation - AG Fees	0.00	327,100	594,800	0.00	327,100	594,800
Statewide Cost Allocation - Risk Mgmt	0.00	35,900	65,300	0.00	35,900	65,300
Statewide Cost Allocation - SCO Fees	0.00	7,900	(28,100)	0.00	7,900	(28,100)
Statewide Cost Allocation - STO Fees	0.00	19,100	34,800	0.00	19,100	34,800
Annualize IT Workers from Contract	0.00	(109,400)	(198,800)	0.00	(109,400)	(198,800)
CEC - Permanent Positions	0.00	92,100	167,400	0.00	169,900	308,800
CEC - Group Positions	0.00	800	1,500	0.00	1,500	2,800
On-going Non-Cog Adjustments	0.00	0	645,000	0.00	0	645,000
Alteration & Repair Projects Under \$30k	0.00	5,400	10,000	0.00	0	10,000
FY 2007 Program Maintenance	318.98	17,410,000	34,673,600	318.98	17,044,300	34,154,500
1. Statewide Document Imaging	4.00	1,778,300	3,951,700	0.00	0	0
FY 2007 Total	322.98	19,188,300	38,625,300	318.98	17,044,300	34,154,500
Change from Original Appropriation	(4.35)	2,233,200	4,686,200	(8.35)	89,200	215,400
% Change from Original Appropriation		13.2%	13.8%		0.5%	0.6%

Indirect Support Services

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2006 Original Appropriation	327.33	16,955,100	876,800	16,107,200	33,939,100

Reappropriations

Reappropriation authority -- also known as carry over -- allows unspent funds from the prior fiscal year to be carried over and spent in the current fiscal year. Those moneys are then removed as one-time expenditures before calculating the next year's base. Carry over requires specific legislative authorization and must be approved every year.

GENERAL FUNDS: \$968,400 is reappropriated in personnel costs and \$105,200 in operating expenditures.

DEDICATED FUNDS: All funds reappropriated in operating expenditures.

Agency Request	0.00	1,373,600	750,500	0	2,124,100
----------------	------	-----------	---------	---	-----------

The Governor's recommendation reflects the General Fund portion of the reappropriation from the Cooperative Welfare Fund as dedicated funds.

Governor's Recommendation	0.00	0	2,124,100	0	2,124,100
---------------------------	------	---	-----------	---	-----------

HB 395

Reflects a one-time 1% Change in Employee Compensation (CEC) increase.

Agency Request	0.00	98,800	0	80,900	179,700
----------------	------	--------	---	--------	---------

Governor's Recommendation	0.00	98,800	0	80,900	179,700
---------------------------	------	--------	---	--------	---------

Omnibus CEC Supplemental

Agency Request	0.00	0	0	0	0
----------------	------	---	---	---	---

The Governor's FY 2007 recommendation is a 3% ongoing increase in employee compensation (CEC), based on merit, to commence in FY 2006 with the January 29 pay period. This will allow agencies to fund employee compensation increases for ten pay periods prior to the end of the current fiscal year. Funding for the remaining 16 pay periods is provided in the FY 2007 CEC.

Governor's Recommendation	0.00	107,300	0	87,800	195,100
---------------------------	------	---------	---	--------	---------

FY 2006 Total Appropriation

Agency Request	327.33	18,427,500	1,627,300	16,188,100	36,242,900
----------------	--------	------------	-----------	------------	------------

Governor's Recommendation	327.33	17,161,200	3,000,900	16,275,900	36,438,000
---------------------------	--------	------------	-----------	------------	------------

Funds to Match Reappropriations

Associated increases in spending authority due to the availability of reappropriation of General Funds.

Spending authority was established in personnel costs - \$123,600; and capital outlay - \$124,500.

Agency Request	0.00	0	0	248,100	248,100
----------------	------	---	---	---------	---------

Governor's Recommendation	0.00	0	0	248,100	248,100
---------------------------	------	---	---	---------	---------

Non-Cognizable Funds and Transfers

The department reports it has an additional \$601,000 for personnel costs, and \$44,000 for operating expenditures to spend this fiscal year. This program is authorized to spend them in accordance with legislative intent language in their FY 2006 appropriation bill to expend all receipts collected as non-cognizable funds for the period July 1, 2005, through June 30, 2006.

Agency Request	0.00	0	44,000	601,000	645,000
----------------	------	---	--------	---------	---------

Governor's Recommendation	0.00	0	44,000	601,000	645,000
---------------------------	------	---	--------	---------	---------

Reappropriation Object Transfer

Of the amount authorized in the reappropriations process the department is transferring \$193,500 from the General Fund in personnel costs to operating expenditures.

Agency Request	0.00	0	0	0	0
----------------	------	---	---	---	---

Governor's Recommendation	0.00	0	0	0	0
---------------------------	------	---	---	---	---

Indirect Support Services

Analyst: Holland-Smith

Budget by Decision Unit

	FTP	General	Dedicated	Federal	Total
--	-----	---------	-----------	---------	-------

Expenditure Object Transfer

Transfers \$901,000 from the General Fund in personnel costs into operating expenditures and conversely, transfers the same amount into personnel costs from operating expenditures from the federal funds.

Agency Request	0.00	0	0	0	0
Governor's Recommendation	0.00	0	0	0	0

Reappropriation Transfer Between Prgrms

This decision unit transfers \$629,400 out of personnel costs, while transferring \$358,700 into operating expenditures and \$127,000 into capital outlay from other programs. The department is reallocating the one-time funds they have the authority to spend under reappropriations amongst all of their programs.

Agency Request	0.00	(143,700)	0	0	(143,700)
----------------	------	-----------	---	---	-----------

The Governor's recommendation reflects the General Fund portion of the reappropriation transfer from the Cooperative Welfare Fund as dedicated funds.

Governor's Recommendation	0.00	0	(143,700)	0	(143,700)
---------------------------	------	---	-----------	---	-----------

Transfer to Self-Reliance Program

Transfers personnel cost funding to the Self-Reliance Program to hire navigation staff for the "Any Door Initiative."

Agency Request	(6.35)	(110,700)	0	(98,200)	(208,900)
Governor's Recommendation	(6.35)	(110,700)	0	(98,200)	(208,900)

Transfer Between Programs

The department transferred 2.00 FTP to the Self Reliance Operations Program.

Agency Request	(2.00)	0	0	0	0
Governor's Recommendation	(2.00)	0	0	0	0

FY 2006 Estimated Expenditures

Agency Request	318.98	18,173,100	1,671,300	16,939,000	36,783,400
Governor's Recommendation	318.98	17,050,500	2,901,200	17,026,800	36,978,500

Removal of One-Time Expenditures

Removes funding provided for HB395, the 27th pay period, reappropriations, and other one-time items.

Agency Request	0.00	(1,542,700)	(1,142,000)	(1,445,400)	(4,130,100)
Governor's Recommendation	0.00	(312,800)	(2,371,900)	(1,445,400)	(4,130,100)

FY 2007 Base

Agency Request	318.98	16,630,400	529,300	15,493,600	32,653,300
Governor's Recommendation	318.98	16,737,700	529,300	15,581,400	32,848,400

Benefit Costs

Includes the employer-paid portion of estimated changes in employee benefit costs. The two biggest factors are health insurance rates and retirement rates. Health insurance is projected to increase by 6.1% or \$436 per position. Retirement rates are scheduled to increase by 5.9% from 10.39% to 11% of salary for regular employees and by 5.7% from 10.73% to 11.34% of salary for police and firefighters. Other benefit changes include minor adjustments in unemployment insurance rates and workers compensation rates.

Agency Request	0.00	175,800	0	143,800	319,600
----------------	------	---------	---	---------	---------

Removes the PERSI rate increase and changes benefit costs to reflect a 3.5% or \$250 per FTP increase in health insurance costs.

Governor's Recommendation	0.00	43,800	0	35,900	79,700
---------------------------	------	--------	---	--------	--------

Indirect Support Services

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Insurance Premium Rebate					
Agency Request	0.00	0	0	0	0
<i>The change in health insurance providers, from Blue Shield to Blue Cross, has created a one-time opportunity to use unexpended reserves from the previous contract. This decision unit provides for a health insurance premium reduction equal to two month's premiums for both the employer and employee. Finally, a life insurance holiday is included equal to seven month's premium for the employer's share only.</i>					
Governor's Recommendation	0.00	(328,600)	0	(268,800)	(597,400)
Inflationary Adjustments					
Includes a general inflationary increase of 1.9% in operating expenditures.					
Agency Request	0.00	139,400	0	114,100	253,500
Governor's Recommendation	0.00	139,400	0	114,100	253,500
Replacement Vehicles					
Requests funding for 6 sedans.					
Agency Request	0.00	43,000	0	35,000	78,000
<i>The Governor recommends using Economic Reserve Recovery Funds.</i>					
Governor's Recommendation	0.00	0	32,200	26,200	58,400
Computer Replacement					
Replace 138 personal computers on a three-year cycle @ \$560 each.					
Agency Request	0.00	42,500	0	34,800	77,300
<i>The Governor recommends using Economic Reserve Recovery Funds.</i>					
Governor's Recommendation	0.00	0	42,500	34,800	77,300
Statewide Cost Allocation - AG Fees					
The Statewide Cost Allocation Plan assesses state agencies for their actual use of Attorney General, State Controller and State Treasurer services and includes changes in property and casualty insurance premiums.					
Agency Request	0.00	327,100	0	267,700	594,800
Governor's Recommendation	0.00	327,100	0	267,700	594,800
Statewide Cost Allocation - Risk Mgmt					
Agency Request	0.00	35,900	0	29,400	65,300
Governor's Recommendation	0.00	35,900	0	29,400	65,300
Statewide Cost Allocation - SCO Fees					
Agency Request	0.00	7,900	0	(36,000)	(28,100)
Governor's Recommendation	0.00	7,900	0	(36,000)	(28,100)
Statewide Cost Allocation - STO Fees					
Agency Request	0.00	19,100	0	15,700	34,800
Governor's Recommendation	0.00	19,100	0	15,700	34,800
Annualize IT Workers from Contract					
Increase personnel costs by \$418,400 for the 20.00 Information Technology (IT) staff hired beginning in FY 2005 and throughout FY 2006; and reduce operating expenditures by \$617,200 to reflect the decreases in the IT contract for FY 2007.					
Agency Request	0.00	(109,400)	0	(89,400)	(198,800)
Governor's Recommendation	0.00	(109,400)	0	(89,400)	(198,800)

Indirect Support Services

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
CEC - Permanent Positions					
Calculated cost of a 1% salary increase for permanent positions.					
Agency Request	0.00	92,100	0	75,300	167,400
<i>Provides funding for the remaining 16 pay periods to annualize the 3% ongoing change in employee compensation recommended in the omnibus CEC supplemental.</i>					
Governor's Recommendation	0.00	169,900	0	138,900	308,800
CEC - Group Positions					
Calculated cost of a 1% salary increase for group positions.					
Agency Request	0.00	800	0	700	1,500
<i>Provides funding for the remaining 16 pay periods to annualize the 3% ongoing change in employee compensation recommended in the omnibus CEC supplemental.</i>					
Governor's Recommendation	0.00	1,500	0	1,300	2,800
On-going Non-Cog Adjustments					
Requests that the additional funding that became available in FY 2006 for personnel costs of \$601,000 and operating expenditures of \$44,000 be built into the FY 2007 Base.					
Agency Request	0.00	0	44,000	601,000	645,000
Governor's Recommendation	0.00	0	44,000	601,000	645,000
Alteration & Repair Projects Under \$30k					
The department is requesting funding for alteration and repair projects that cost less than \$30,000 each. Funding is to 1) replace the cement stairs at the Blackfoot townhouse - \$6,000, and 2) install eye wash stations in custodian closets at the Blackfoot townhouse - \$4,000.					
Agency Request	0.00	5,400	0	4,600	10,000
Governor's Recommendation	0.00	0	5,400	4,600	10,000
FY 2007 Program Maintenance					
Agency Request	318.98	17,410,000	573,300	16,690,300	34,673,600
Governor's Recommendation	318.98	17,044,300	653,400	16,456,800	34,154,500

Indirect Support Services

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
-------------------------	-----	---------	-----------	---------	-------

1. Statewide Document Imaging

The department manages over 30 million paper pages in active case files for the Division of Welfare and the Division of Family and Community Services. In addition, an average of 25,000 pieces of incoming paper are presented each day regarding services, such as new applications, court orders, medical reports, income and expense verification and cast status requests. The information contained in existing paper case files is necessary to make decisions about services and to perform case management. Paper files also provide an audit trail to determine federal compliance and perform quality assurance activities.

As part of the upgrade to the Medicaid Medical Information System (MMIS) the department is intending to implement an electronic document imaging system (EDMS). Once fully implemented, the key functions provided in this EDMS solution will include scanning, indexing, search and retrieval, viewing, printing, document markup, security, workflow, image exporting, integration with e-mail and facsimile, templates, intelligent character recognition, automated correspondence generation, quality assurance, and auditing.

Development through implementation is expected to take two years (including conversion of existing paper files). Funding is requested for 4.00 FTP in the Information Technology Services Division. The department will hire one systems integration analyst, senior; and three electronic document managers at a cost of \$320,100; funding for operating expenditures include \$32,400 for staff support, \$200,000 for contracted services for requirements and implementation, \$120,000 for network usage expansion, \$750,000 for contracted services for mail procession center, and \$1,500,000 for contracted services for back file conversion; funding for capital outlay includes \$798,400 for hardware, disk storage, software licensing, and backup, \$20,800 for computers and office equipment for new staff, and \$210,000 for network expansion.

Agency Request	4.00	1,778,300	0	2,173,400	3,951,700
----------------	------	-----------	---	-----------	-----------

Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
---------------------------	------	---	---	---	---

FY 2007 Total

Agency Request	322.98	19,188,300	573,300	18,863,700	38,625,300
Governor's Recommendation	318.98	17,044,300	653,400	16,456,800	34,154,500

Agency Request

Change from Original App	(4.35)	2,233,200	(303,500)	2,756,500	4,686,200
% Change from Original App	(1.3%)	13.2%	(34.6%)	17.1%	13.8%

Governor's Recommendation

Change from Original App	(8.35)	89,200	(223,400)	349,600	215,400
% Change from Original App	(2.6%)	0.5%	(25.5%)	2.2%	0.6%